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ABSTRACT

Although the proportion of teenagers in the labor force generally increases during economic expansions, the labor force participation rate for 16- to 19-year-olds changed very little during the exceptional labor market conditions of the mid-1990s. In July 2000, the labor force participation rate for teens was at its lowest level since 1965. Between 1994 and 2000, the July labor force participation rate for teens declined from 65.4% to 62.3%. This decline occurred even as the unemployment rate for teens was falling to its lowest level in more than 3 decades. Data from the Current Population Survey indicate that an increasing rate of school enrollment in the summer was a factor behind the decline in teen summer labor force participation. Between 1994 and 2000, the percentage of teens enrolled in school in July increased from 19.5% to 27.0%. Decreases in the labor force participation rates for both students and nonstudents also contributed to the overall decline in teen labor force participation. Data for October of each year indicate that labor force participation among high school students also dropped during the school year (from 42.1% in 1994 to 37.8% in 2000). However, the October labor force participation rate of nonstudents increased from 70.8% in 1994 to 75.9% in 2000. (MN)

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ISSUES in Labor Statistics

U.S. Department of Labor
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Summary 02-06 September 2002

Declining teen labor force participation

During economic expansions, the proportion of teenagers in the labor force usually grows. However, during the exceptional labor market conditions of the mid- to late 1990s, the labor force participation rate for 16- to 19-year-olds—the share of their population either working or looking for work—changed very little. In fact, there was a general downtrend in teenage labor force activity for July—the month during which the highest proportion of teens is in the labor market. In July 2000, the labor force participation rate for teens was at its lowest level since 1965.[1]

As the accompanying chart shows, between 1994 and 2000, the July labor force participation rate for teens declined from 65.4 to 62.3 percent. This decline occurred even as the unemployment rate for teens was falling to its lowest level in over three decades. Thus, adverse job market conditions, the usual explanation for declining teen work activity, were not the cause during this period. Data from the Current Population Survey indicate that an increasing rate of school enrollment in the summer was a factor behind the decline in teen summer labor force participation.

The percent of teens enrolled in school in July increased from 19.5 to 27.0 percent between 1994 and 2000.[2] (See table.) This trend mostly reflects an increase in the percent of teens enrolled in high school; also during that time, the proportion of teens enrolled in college edged upward. Teens attending school in the summer are far less likely to be in the labor force than are those not enrolled. Thus, the increasing proportion of students in July exerted downward pressure on the overall teen labor force participation rate for July during the 1994-2000 period.

In addition to rising enrollment, decreases in the labor force participation rates for both students and nonstudents contributed to the overall decline in teen labor force participation. Between 1994 and 2000, the July labor force participation rate for those enrolled in school dropped from 49.6 to 45.7 percent; for those not enrolled, the participation rate moved down from 69.2 to 68.4.

The rise in the July school enrollment rate and the decline in labor force participation were concentrated among 16- to 17-year-olds. Between 1994 and 2000, their percentage enrolled in school in July increased as their labor force participation rate fell dramatically, from 57.0 to 51.2 percent. The percent of 18- to 19-year-olds enrolled in school in July also increased, although not as sharply, and their labor force participation rate did not change as markedly. (See table.)

To examine further the trends in teenage labor force participation, it helps to compare the movements in July with those in October, a month during which the vast majority of teenagers are enrolled in school. The October labor force participation rate for teens did not experience the normal expansionary growth over the 1994-2000 period, but did not really decline as did the July rate. High school students, however, did exhibit a declining proclivity for labor force activity, perhaps choosing to devote more attention to school. Their labor force participation rate decreased from 42.1 percent in October 1994 to 37.8 percent in 2000. For the relatively small group of teenagers not enrolled in school, the participation rate increased—from 70.8 to 75.9 percent—perhaps (along with declining unemployment rates) a better indication of the underlying job market for young workers. Thus, the phenomena of increasing enrollment and declining labor force activity appear to be largely summer issues, although the lack of cyclical expansion in participation during the school months, and declines in participation among high school students in those months, suggests some underlying trend away from work.

IN SUMMARY, the increasing proportion of teens enrolled in school during the summer and a drop in students' labor force participation rates contributed to the overall decline in teen summer labor force participation during the recent expansion. Data for October of each year indicate that labor force participation among high school students also dropped during the school year, although nonstudents were increasingly likely to participate in the labor force. Together, these

Labor force participation rate for 16- to 19-year-olds, not seasonally adjusted, July 1948-2000

NOTE: Data from 1994 forward are not strictly comparable with earlier data because of the redesign of the Current Population Survey introduced in January 1994.

SOURCE: Current Population Survey, Bureau of Labor Statistics.

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facts suggest that, among teens, an increased emphasis was placed on school rather than work during the summer and the school year.

This summary was prepared by Katie Kirkland, an economist formerly with the Bureau of Labor Statistics. For additional information on teen labor force participation, contact the Office of Employment and Unemployment Statistics, Bureau of Labor Statistics, Washington, DC 20212. Telephone: (202) 691-6378. E-mail address: *cpsinfo@bls.gov*. Information in this report will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: 1-800-877-8339. This material is in the public domain and, with appropriate credit, may be reproduced without permission. ■

Percent of 16- to 19-year-olds enrolled in school and labor force participation rate by age, not seasonally adjusted, July 1994 to 2000

(Percent)

Year	Percent enrolled in school			Labor force participation rate[1]		
	16 to 19 years	16 to 17 years	18 to 19 years	16 to 19 years	16 to 17 years	18 to 19 years
1994	19.5	21.4	17.5	65.4	57.0	74.0
1995	21.9	24.4	19.4	66.6	57.3	76.3
1996	22.0	24.8	19.0	64.8	55.9	74.3
1997	23.9	25.7	22.1	63.6	53.3	74.3
1998	24.8	27.8	21.8	63.9	53.3	74.8
1999	26.8	31.3	22.3	62.9	53.4	72.4
2000	27.0	31.3	22.7	62.3	51.2	73.3

[1]Percent of the population that is in the labor force.

SOURCE: Current Population Survey, Bureau of Labor Statistics.

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[1] In July of 2001 and 2002, participation rates of teens continued to fall. Because those declines are likely linked, at least in part, to the recessionary labor market, data for those years are not included in this analysis.

[2] Monthly, not seasonally adjusted data are available from the Current Population Survey (CPS) on the employment status of youths by school enrollment status. Data for 1994 and later years are not strictly comparable with data from 1993 and earlier years because of the introduction of a major redesign of the CPS questionnaire and collection methodology. In addition, in 1994, the wording of the question on school enrollment status was changed.

The question was changed from asking whether, last week, persons were attending or enrolled in school to simply whether they were enrolled. This change appears to have created an overstatement of the number of persons enrolled in school in summer months for 1994 forward. Some respondents likely replied that they (or their children in the case of proxy respondents) were enrolled—that is, to return to school for the fall semester—even though they were not attending school in the reference week. (While the instructions to the interviewer indicate that a student on summer vacation should be treated as not enrolled, interviewers are not instructed to probe to make sure respondents are following that rule.) In July 1993, 13.9 percent of 16- to 19-year-olds in the CPS were enrolled in school in July, compared with 19.5 percent in July 1994, after the question had been reworded. Nevertheless, from 1994 to 2000, when the same question was asked each month, there was an increase in the percent of teens reported as enrolled in school in July, from 19.5 to 27.0 percent. Thus, while the school enrollment rate during the summer since 1994 might be overstated, the trend in summer attendance is likely to be reflected in the CPS data.

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